



Minnesota Gambling Control Board

GAMING NEWS

July/August/September 2011

Gambling Control Board

William Goede, Chair
(Plainview)

Committee: Executive

Norm Pint, Vice-Chair
(New Prague)

Committees: Executive;
CRG (chair)

William Gillespie, Secretary
(St. Paul)

Committees: Executive;
Legislative (chair); CRG

Robert Hyde (Plymouth)

Committees: Rules (chair)

Geno Fragnito (Woodbury)

Committees: Rules, Legislative

Susan McCarville (Hopkins)

Committees: Rules; CRG

Gary Sigfrinius (Forest Lake)

Committees: Legislative

Monthly board meetings are open to the public and are held at:

Gambling Control Board office,
Suite 300 South,
1711 West County Road B,
Roseville, Minnesota.

2011

Monday, September 19, 10 am

Monday, October 17, 10 am

Friday, November 18, 10 am, in
conjunction with the ACM
convention in St. Cloud.

Monday, December 19, 10 am

The agenda is posted at:
www.gcb.state.mn.us

DIRECTOR'S COLUMN

Tom Barrett, Executive Director

Return to Work

The government shutdown ended and Board staff returned to work on Thursday, July 21, 2011.

Licensing staff quickly processed all applications for licenses and permits received during the shutdown. And, compliance staff has resumed its schedule of conducting compliance reviews and site inspections.

The Board did conduct a rescheduled board meeting on Monday, July 25, 2011, with a limited agenda to consider approval of new games submitted by manufacturers. It will be business as usual for organization requests starting with the August 15 board meeting.

We are pleased to report that there was very little disruption of services, if any, for licensed organizations. This was due in large part to the fact that licensed organizations have perpetual licenses and premises permits, allowing them to continue to conduct lawful gambling.

Gaming News

Beginning with this issue, *Gaming News* will be published on a quarterly basis. With increased use of the Board's web site by organizations, most information pertaining to lawful gambling is readily available online.

We will continue to publish *Gaming News* and focus on relevant issues and concerns such as the education schedule, frequently asked questions, and updates on rule and statute changes.

Gaming News is mailed to each organization's gambling manager at their home address. It is also published and maintained on our website at www.gcb.state.mn.us. Just look for the *Gaming News* link.

Recognition of Law Enforcement Efforts

At its meeting on June 20, 2011, the Gambling Control Board presented Certificates of Appreciation to several deputies from the Ramsey County Sheriff's Office.

The recognition was for their dedication and performance in the arrest of the four suspects involved in the armed robbery of the Arden Hills Pot O'Gold bingo hall on May 21, 2011, and in appreciation of their outstanding service to the Minnesota lawful gambling community for the protection and recovery of assets used for charitable purposes. Members of the Roseville Police Department were also recognized by the Board at a separate ceremony sponsored by the city of Roseville.

Continuing Education Classes

- Preregistration is not required for continuing education classes.
- Classes are free and open to the public.
- **Reminder:** Gambling managers are required to attend at least one continuing education class each CALENDAR YEAR.
- Check our web site at www.gcb.state.mn.us for updates and changes.

SEPTEMBER 2011

September 7, 2011 7:00 pm	Plaza Hotel and Suites, Rosewood Room II 1025 Highway 61 East, Winona	Common Problems
September 13, 2011 7:00 pm	Gambling Control Board, Suite 300 South 1711 West County Road B, Roseville	Common Problems
September 15, 2011 7:00 pm	Lyon County Government Center Commissioner Rooms 1 and 2 607 Main Street, Marshall	Common Problems
September 22, 2011 7:00 pm	Forestry Service Center, Stine Room 175 University Road, Cloquet	Common Problems
September 27, 2011 7:00 pm	Country Inn Suites 15058 Dellwood Drive, Baxter	Common Problems

OCTOBER 2011

October 19, 2011 2:00 pm	Gambling Control Board, Suite 300 South 1711 West County Road B, Roseville	Common Problems
October 19, 2011 2:00 pm	Hampton Inn & Suites, Sunken Island Room 1019 Paul Bunyan Drive South, Bemidji	Common Problems

NOVEMBER 2011

November 1, 2011 2:00 pm	Gambling Control Board, Suite 300 South 1711 West County Road B, Roseville	Advertising and Marketing Are You in the Game?
November 2, 2011 2:00 pm	Ramada Hotel and Conference Center Room Grand B, 1517 16th St SW, Rochester	Bar Bingo

DECEMBER 2011

In December, the topic of **Tax Form Changes Effective January 2012** will be taught.

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| <ul style="list-style-type: none"> • December 13, 2011 at 10:00 am,
Gambling Control Board, Suite 300 South,
1711 West County Road B, Roseville • December 13, 2011 at 2:00 pm,
Hibbing Memorial Building, Dining room,
400 East 23rd Street, Hibbing • December 15, 2011 at 7:00 pm,
BestWestern Kelly Inn, University Room A,
100 4th Avenue South, Saint Cloud | <ul style="list-style-type: none"> • December 13, 2011 at 2:00 pm,
South Central College, Conference Center A,
1920 Lee Boulevard, North Mankato • December 15, 2011 at 2:00 pm,
AmericanInn Lodge and Suites,
526 Western Avenue, Fergus Falls • December 29, 2011 at 2:00 pm,
Gambling Control Board, Suite 300 South,
1711 West County Road B, Roseville |
|--|--|

CRG Report

The Compliance Review Group (CRG), a committee of the Gambling Control Board, meets with licensees to conduct informal inquiries into alleged violations of lawful gambling statutes and rules. This information is a condensed report of recently completed CRG conferences. Penalties imposed are based on specific and unique information reviewed for each licensee.

Licensee	Consent Order Allegations	Consent Order Requirements
B-Dale Club, Roseville, License 00330	Conducted lawful gambling without the supervision of a licensed gambling manager	\$250 fine

Citations Paid in May, June, and July 2011

Licensee	Violation	Amount
Northwest Area Jaycees, Corcoran License 02463	Failed to accurately record game results on the Schedule B2. Repeat violation.	\$750
International Gamco, Inc. Omaha License MA010	Shipped to Minnesota two pull-tab deals with serial numbers on flares that did not match serial number on tickets.	\$450
Waseca Wrestling Club License 36167	Repeatedly failed to comply with Board requests for documentation.	\$400
American Legion Post 2, Shakopee License 00466	Failed to comply with Board requests for documentation.	\$350
Womens Aux to the MOC 99, Isanti License 35961	Failed to file Fiscal Year 2010 Annual Financial Summary report.	\$300
American Legion Post 473, Rice License 02521	Repeatedly failed to maintain current site inventory.	\$300
Ogilvie Lions Club, License 00823	Serial number for deal of pull-tabs put into play did not match serial number on flare.	\$100
American Legion Post 404, Alden License 00983	Nongambling funds erroneously used to pay licensing fees.	\$50
Parkway Little League Inc, St. Paul License 36230	Check not signed by two active members.	\$50
Owatonna Youth Hockey Association License 74008	Made erroneous deposit into gambling account.	\$50
Redwood Area Hockey Association License 04345	Check not signed by two active members.	\$50
Midwest Ski Otter Water Ski Club, White Bear Lake, License 05703	Nongambling funds used for expense directly related to gambling.	\$50

Organization Annual Report Due September 30

Report due in September: Each organization licensed in one or more months during fiscal year 2011 (July 2010 through June 2011) is required to file the LG1014 Organization Annual Report with the Gambling Control Board. The report is due by September 30, 2011. Your report is used by the Board to monitor compliance with the minimum lawful purpose percentage requirement and the 5% cap on "A22" expenditures. A summary report is issued to the Governor and Legislature, and will be published on our website in November.

Reporting form made easier

The 2011 form was simplified and shortened. The lawful purpose codes are now listed in order, subtotals were eliminated, and some figures are no longer requested.

A copy of the LG1014 form for 2011 is included on the next page. Instructions for completing the form are available at www.gcb.state.mn.us. To access the form and instructions on our website, look under the "Quick Links" heading and click on Forms for "Licensed Organizations". Then look under the "Worksheets and Reporting Forms" heading and click on "LG1014".

Two versions of the form are available. One is the manual version to use if you will be completing the form by hand. The other is an Excel spreadsheet version with built-in formulas that automatically calculate the totals and percentages.



1. Using an old version of the form rather than the 2011 version.

The chief cause of this error appears to be organizations using software that hasn't been properly updated. Be sure that the 2011 Organization Annual Report that you send in looks like the one included in this newsletter.

2. Not reporting licensing and premises permit fees paid to the Gambling Control Board as a lawful purpose under code "A18".

These expenditures should have been listed on the Schedule C for the month the check(s) were issued.

3. No organization name or license number included on the form.

To date, we have three reports with no name or license number. If you've already sent in your report, check your copy to make sure your name and license number are on it. If not, please resend the report with your name and license number on it.

4. Not including lawful purpose taxes and fees when calculating total lawful purpose expenditures.

The taxes and fees reported on line 15 of the G1 are not listed on the Schedule C, but they are classified as a lawful purpose. When computing your lawful purpose percentage, add the taxes and fees from G1 line 15 to the lawful purpose expenditures from G1 line 43 and divide this total by the gross profits from G1 line 10c.

If the percent of annual gross profits used for lawful purpose is less than 30% (20% for organizations that conduct lawful gambling in a location where the primary business is bingo) your organization may be subject to sanctions.

Questions? If you have any questions regarding the Organization Annual Report, contact your compliance specialist at the Gambling Control Board.

Organization Name:		License #												Date presented to members:						FY2011
G1 Amounts	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Totals							
Gross Profits - line 10c																				
Taxes/fees - line 15																				
LPE - line 43																				
Lawful Purpose Breakdown from Schedule C/D																				
A1 - 501c3-c4 donation																				
A2 - disability, poverty																				
A3 - problem gambling																				
A4 - schools																				
A5 - scholarships																				
A6 - military recognition																				
A7 - youth programs																				
A8 - taxes & tax refund																				
A9 - real estate taxes																				
A10 - government																				
A11 - church																				
A12 - lake water testing																				
A13 - wildlife, trails, DNR																				
A14 - food shelves																				
A15 - community arts																				
A16 - vet. / frat. utilities																				
A17 - veteran events																				
A18 - license fees																				
A19 - humanitarian																				
A20 - to other lic. org.																				
A21 - to parent org.																				
A22 - owned bldg 5%																				
A23 - capital assets																				
A24 - real property																				
A25 - replacement bldg.																				
B codes - prior to 7/1/09																				
SCHEDULE C/D TOTAL																				
Percent of annual gross profits used for lawful purpose expenditures.										ROUND ALL FIGURES TO NEAREST DOLLAR										

Place an "X" here if your organization conducts lawful gambling in a location where the primary business is bingo.

LOCAL UNIT OF GOVERNMENT REPORTS

10% Contribution Fund Report - Cities that require licensed organizations to contribute to a 10% contribution fund administered by the city must report annually to the Board.
The following are amounts collected and expended by the cities in 2010.

City	%	Previous balance	Interest earned	Collected	Spent	Balance
Alexandria	10%	0.00		\$28,087.21	\$28,087.21	\$0.00
Andover	10%	5,515.87	6.52	9,439.02	12,384.00	2,577.41
Arden Hills	10%	0.00	0.00	\$30,129.12	\$30,129.12	\$0.00
Barnum	10%	736.35	0.00	\$2,240.57	\$2,406.04	\$570.88
Battle Lake	10%	0.00	0.00	\$466.55	\$466.55	\$0.00
Bayport	10%	64,167.00	0.00	\$4,077.00	\$2,500.00	65,744.00
Bigfork	10%	3,600.72	report not received			3,600.72
Blaine	10%	28,242.67	221.40	\$41,348.87	\$33,000.00	36,812.94
Bricelyn	10%	831.85	0.00	\$330.20	\$712.80	449.25
Brownsville	10%	0.00	0.00	\$1,837.73	\$1,837.73	0.00
Byron	10%	5,569.85	10.00	\$5,315.00	\$10,000.85	894.00
Calumet	10%	179.38	0.00	\$0.00	\$0.00	179.38
Carlton	10%	4,387.74	5.78	9,278.83	9,875.00	3,797.35
Centerville	10%	0.00	0.00	753.00	753.00	0.00
Chanhasen	10%	36,331.53	675.72	22,730.85	17,500.00	42,238.10
Cloquet	10%	0.00	0.00	9,545.59	9,545.59	0.00
Cold Spring	10%	48,755.90	2,002.50	7,465.60	4,729.76	53,494.24
Coon Rapids	5%	6,783.27	277.39	19,964.18	0.00	27,024.84
Cottage Grove	10%	5,335.00	report not received			5,335.00
Crystal	10%	9,960.69	0.00	20,284.56	21,916.75	8,328.50
Darwin	10%	0.00	0.00	2,304.21	2,304.21	0.00
Duluth	5%	14,166.00	12.00	8,529.00	0.00	22,707.00
Dundas	10%	0.00	0.00	2,162.00	2,162.00	0.00
Effie	10%	0.00	report not received			0.00
Elgin	10%	8,028.09	33.72	6,531.19	0.00	14,593.00
Elko/NewMarket	5%	9,179.42	135.80	563.87	9,580.00	299.09
Evansville	10%	0.00	0.00	3,251.78	3,251.78	0.00
Eveleth	10%	6,072.27	0.00	6,556.89	3,250.00	9,334.16
Eyota	10%	24,601.00	214.00	5,605.00	0.00	30,420.00
Faribault	5%	26,654.90	436.71	17,273.20	15,779.00	28,585.81
Floodwood	10%	2,750.57	0.00	1,411.40	3,391.32	770.65
Gem Lake	10%	1,278.00	0.00	4,268.00	4,440.00	1,106.00
Glencoe	10%	5,396.72	14.77	0.00	0.00	5,411.49
Golden Valley	10%	0.00	893.00	24,351.00	25,244.00	0.00
Gully	10%	3,808.35	21.62	2,607.43	6,437.40	0.00
Ham Lake	10%	6,933.08	153.64	9,416.29	15,000.00	1,503.01
Hampton	10%	0.00	0.00	2,816.17	2,816.17	0.00
Hanska	10%	3,879.42	0.00	2,013.90	0.00	5,893.32
Hartland	10%	1,577.35	0.00	1,322.83	2,900.18	0.00
Hawley	10%	6,440.52	16.11	0.00	0.00	6,456.63
Hewitt	10%	5,384.48	25.11	3,000.09	5,038.29	3,371.39
Hibbing	10%	7,704.18	0.00	2,478.68	0.00	10,182.86
Hokah	10%	0.00	0.00	1,618.39	1,618.39	0.00
Hollandale	10%	0.00	0.00	43.65	43.65	0.00
Independence	10%	0.00	0.00	717.00	717.00	0.00
Jackson	10%	0.00	0.00	576.51	576.51	0.00
Kasota	10%	0.00	0.00	232.00	232.00	0.00
Kerkhoven	10%	652.64	6.01	0.00	0.00	658.65
Kettle River	10%	2,093.49	0.00	1,844.03	1,321.24	2,616.28
Lakeland Shores	10%	521.53	0.00	490.36	1,000.00	11.89
Laporte	10%	0.00	0.00	694.76	694.76	0.00
Lilydale	10%	0.00	0.00	481.28	481.28	0.00
Little Canada	10%	93,257.66	2,621.30	6,583.77	13,954.65	88,508.08
Long Beach	10%	0.00	0.00	2,873.50	2,873.50	0.00
Long Lake	10%	516.00	25.00	1,914.00	750.00	1,705.00
Madison Lake	10%	3,119.21	5.96	2,591.06	4,247.06	1,469.17
Mahtomedi	10%	32,182.01	710.79	16,860.93	49,753.73	0.00
Maple Grove	10%	159,508.87	6,455.10	12,890.69	0.00	178,854.66
Maplewood	10%	27,189.00	28.48	21,478.83	21,174.00	27,522.31
Mayer	10%	0.00	0.00	2,005.00	2,005.00	0.00
Mendota	10%	0.00	0.00	4,338.38	4,338.38	0.00
Milaca	10%	12,043.00	264.00	4,961.00	7,472.00	9,796.00

LOCAL UNIT OF GOVERNMENT REPORTS (continued)

City	%	Previous balance	Interest earned	Collected	Spent	Balance
Millville	10%	17,556.57	0.00	2,610.84	2,301.33	17,866.08
Minneapolis	10%	46,273.00	0.00	12,274.00	12,136.00	46,411.00
Mountain Iron	10%	5,391.27	52.56	4,425.56	2,550.00	7,319.39
Myrtle	10%	6,228.85	report not received			6,228.85
New Hope	10%	0.00	0.00	4,581.91	4,581.91	0.00
North Mankato	10%	21,327.90	0.00	13,416.24	32,946.00	1,798.14
Oak Grove	10%	6,148.32	0.00	490.55	0.00	6,638.87
Plymouth	10%	0.00	84.72	3,002.11	3,086.83	0.00
Proctor	10%	12,768.04	0.00	1,010.63	1,029.21	12,749.46
Ramsey	5%	114,384.00	5,102.00	29,506.00	10,500.00	138,492.00
Rockford	10%	0.00	0.00	9,500.00	9,500.00	0.00
Roseville	10%	32,987.55	0.00	80,633.06	113,000.00	620.61
Saint Martin	10%	608.71	0.00	2,009.54	2,245.28	372.97
Saint Michael	10%	0.00	0.00	11,113.97	11,113.97	0.00
Saint Paul (Rec fund)	10%	149,333.93	4,672.81	9,061.51	1,577.00	161,491.25
Saint Paul (direct)	10%	0	0	65,373.67	65,373.67	0.00
Sauk Rapids	10%	0.00	0.00	1,420.00	1,420.00	0.00
Scanlon	10%	1,182.74	19.26	2,703.94	3,120.00	785.94
Sedan	10%	4,176.22	report not received			4,176.22
Shafer	5%	3,574.65	268.89	872.03	0.00	4,715.57
Sherburn	10%	457.81	0.00	1,463.57	1,560.00	361.38
Shoreview	10%	0.00	0.00	424.60	424.60	0.00
Spicer	10%	5,884.00	327.31	4,351.77	0.00	10,563.08
Spring Valley	10%	1,864.30	87.94	5,510.70	7,000.00	462.94
Stockton	10%	1,000.00	0.00	700.00	1,700.00	0.00
Tower	10%	0.00	0.00	2,176.07	2,176.07	0.00
Utica	10%	0.00	0.00	3,323.00	3,323.00	0.00
Vadnais Heights	10%	15,231.91	0.00	12,102.77	2,971.96	24,362.72
Victoria	10%	41,387.00	141.00	6,278.00	0	47,806.00
Wahkon	10%	1,093.66	0.00	1,638.80	2,365.00	367.46
Waite Park	10%	13,530.29	39.93	24,700.06	17,047.40	21,222.88
Waterville	10%	0.00	0.00	7,399.02	7,399.02	0.00
Wilton	10%	0.00	0.00	1,187.75	1,187.75	0.00
Winnebago	10%	467.45	0.00	1,203.21	1,503.45	167.21
Winsted	5%	0.00	0.00	5,000.00	5,000.00	0.00
Wyoming	10%	17,667.05	373.06	8,248.72	4,755.05	21,533.78
TOTALS		\$1,205,860.80	\$26,441.91	\$742,665.55	\$735,586.40	\$1,239,381.86

LOCAL LAWFUL GAMBLING REGULATORY TAX, UP TO 3%, IMPOSED BY CITIES in 2010

City	Percent	Previous balance	Collected	Spent	Balance
Andover	0.10%	0.00	542.22	542.22	0.00
Austin	0.50%	2,503.37	3,402.47	3,091.50	2,814.34
Bloomington	0.25%	10,680.01	5,206.70	1,756.50	14,130.21
Duluth	3%	0.00	47,906.00	47,906.00	0.00
East Bethel	3%	0.00	16,624.00	16,624.00	0.00
Eden Prairie	no longer collected	21,814.17	0.00	0.00	21,814.17
Fridley	3%	0.00	50,418.22	50,418.22	0.00
Lilydale	3%	0.00	738.69	738.69	0.00
Lino Lakes	0.10%	0.00	674.97	674.97	0.00
Madison Lake	3%	0.00	241.78	241.78	0.00
Mankato	3%	0.00	47,351.59	47,351.59	0.00
Maple Grove	0.50%	0.00	6,075.72	6,075.72	0.00
Mendota	2%	0.00	3,485.90	3,485.90	0.00
Minneapolis	3%	47,026.48	143,752.14	130,150.26	60,628.36
North Mankato	3%	0.00	12,542.95	12,542.95	0.00
Owatonna	3% up to \$500	62.58	5,000.00	4,985.24	77.34
Plymouth	no longer collected	12,795.63	-35.64	0.00	12,759.99
Roseville	3%	5,313.86	75,147.95	80,414.06	47.75
St. Louis Park	.001%	0.00	920.64	920.64	0.00
Saint Paul	2.50%	52,969.51	113,631.85	95,160.64	71,440.72
Shoreview	3%	report not received			
Spring Lake Park	3%	0.00	35,960.00	35,960.00*	0.00
Waterville	3%	6,419.86	6,332.98	688.25	12,064.59
White Bear Lake	2%	0.00	25,434.00	25,434.00	0.00
Worthington	3%	0.00	4,741.00	4,741.00	0.00
Totals		\$159,585.47	\$605,553.91	\$563,792.91	\$195,777.47
*Spring Lake Park issued refunds totalling \$5,569.00					

Gambling Control Board
1711 West County Road B, Suite 300 South
Roseville, Minnesota 55113

PRSRT STD
U.S. POSTAGE PAID
PERMIT 171
ST PAUL MN

State offices will be closed on September 5, 2011, and November 11, 24, and 25, 2011.

This publication will be made available in alternative format (large print, Braille) upon request.

TRENDS in LAWFUL GAMBLING GROSS RECEIPTS

NOTE: Figures for the current calendar year are subject to change due to amended, corrected, or late tax returns.

	2011	% Change from 2010	2010	% Change from 2009	2009
January	79,332,000	0.52	78,919,000	-5.66	\$83,654,000
February	80,267,000	1.45	79,120,000	-4.95	83,237,000
March	93,381,000	2.87	90,774,000	-1.48	92,137,000
April	88,525,000	4.29	84,887,000	-3.03	87,535,000
May			82,260,000	-4.91	86,506,000
June			78,121,000	-2.62	80,222,000
July			81,008,000	-2.68	83,238,000
August			79,398,000	-4.61	83,231,000
September			80,490,000	+2.81	78,288,000
October			83,687,000	-0.21	83,865,000
November			77,810,000	-1.50	78,998,000
December			77,158,000	-0.63	77,644,000
	\$341,505,000	2.34%	\$973,632,000	-2.50%	\$998,555,000

LAWFUL PURPOSE EXPENDITURES (includes taxes and fees)

January 2011 -----\$3,858,000 March 2011 -----\$5,053,000
February 2011 -----\$4,042,000 April 2011 -----\$4,932,000

AGENCY INDEX

Gambling Control Board

www.gcb.state.mn.us
Roseville ----- 651-639-4000
St. Peter ----- 507-931-5112
Hibbing ----- 218-262-7301
Fergus Falls ----- 218-739-7402

Department of Revenue

www.taxes.state.mn.us
Lawful Gambling Tax Unit -----651-297-1772
Email: lawfulgambling.taxes@state.mn.us

Department of Public Safety

www.dps.state.mn.us
Alcohol & Gambling Enforcement -- 651-201-7500
Minnesota's Bookstore ----- 1-800-657-3757
www.minnesotasbookstore.com 651-297-3000
Internal Revenue Service
Forms ----- 1-800-829-1040
Questions ----- 651-312-7716
Minn. Problem Gambling Helpline--- 1-800-333-HOPE
http://www.nojudgment.com